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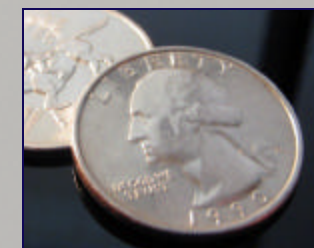


# Representative Matt Pierce

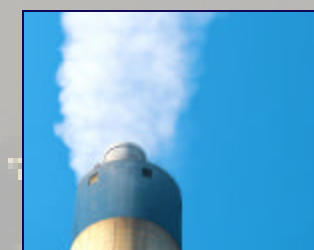
Keeping You Informed



Pierce Votes NO on Tolls for State Road 37



Reducing Mercury Pollution



Property Tax Relief



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# 2006 Session Report



# Property Taxes

At the start of the 2006 session of the Indiana General Assembly, property tax relief was identified as a priority for the legislature. One reason property taxes increased is the Republican-controlled legislature passed a budget in 2005 that forced our school corporation to increase property taxes by a larger amount just to maintain its existing programs. Republican leaders also chose to freeze the amount of state funds used to limit local property tax increases.

These decisions increased the burden on local property taxpayers to the tune of an estimated \$850 million. I voted against the budget because it did not properly fund our schools and reversed the trend of moving school funding away from property taxes.



Rep. Pierce and Rep. Harris (D-East Chicago)

This year, about 1.5 million homeowners will receive a one-time increase in the state homestead credit from 20 to 28 percent. This credit will provide around \$100 million in property tax relief in 2006. In 2007, the state homestead deduction will increase from \$35,000 to \$45,000 for one year only. This relief will provide an additional \$127 million for homeowners.

These amounts are significantly lower than originally proposed by House Republican leaders. While I am disappointed that the General Assembly did not pass a more comprehensive property tax relief bill, I did support at least providing some one-time relief for property owners.

I will continue working for true tax reform that reduces the burden on property owners and makes our tax system more fair.

# Major Moves

## Pierce votes **NO** on tolls for State Road 37

More than anything else, the 2006 session of the Indiana General Assembly will be remembered for Major Moves, the Governor's program to give control of the Indiana Toll Road to a foreign corporation for \$3.8 billion and allow him to convert Monroe County's stretch of State Road 37 into a toll road.

House Bill 1008 became law despite public opposition at a level I have never seen before. I heard loudly and clearly that the residents of our community do not think it is fair to force us to pay tolls on a road that has been free for decades. In large numbers, the people of Indiana said they did not want the Indiana Toll Road, a public asset built with their tax dollars, handed over to a foreign corporation which then will pocket all profits generated by the toll road for 75 years.

I heard the public outcry, voted against the plan, and did everything I could to stop it. But no amount of public opposition was enough to change the minds of the Republican majorities in control of the Indiana House and Senate. Special provisions were added to the bill to lock in Republican votes.

For example, the new law requires the proposed I-69 extension to be rerouted around Perry Township in Marion County, and it protects Martinsville area legislators from the wrath of their citizens who commute to Indianapolis by forbidding the conversion of State Road 37 to a toll road between Martinsville and Indianapolis. By some accounts, the Governor promised more road projects than can be funded by the proceeds from the toll road deal as he traveled around the state trying to convince the public to support his plan.

Now that Major Moves has become law, what will happen with State Road 37?

The Governor now has the authority to convert State Road 37 south of Martinsville to a toll road and convey it to a private company to be operated as part of an I-69 extension without any further approval from the General Assembly. If the extension is built, it will be a toll road, likely owned and operated by a foreign company.

There is no way to predict whether a corporation will actually find it profitable to build and operate an I-69 toll road or how high the tolls will have to be set to make it profitable. No one has analyzed how a private toll road will affect all of the past assumptions about the economic benefits of I-69. The only thing we know for sure is that the Governor now has the power to do anything he wants with State Road 37 south of Martinsville.



Rep. Pierce discusses legislation with Democratic caucus leaders.

# Indiana tightens eminent domain law

In 2005, the U.S. Supreme Court ruled that local governments can use the power of eminent domain to take private property, such as homes and businesses, and hand it over to a private developer in the name of economic development. However, the courts said state legislatures are free to limit this power.

I shared the concerns of many who expressed dismay that a government could take property from an unwilling seller to advance the project of private developer. To prevent this from happening, I requested to serve on a study committee given the task of protecting the rights of property owners in eminent domain proceedings. Months of bipartisan work has resulted in the passage of House Bill 1010 that tightens Indiana's eminent domain laws and restricts the ability of most government units to seize private property and transfer it to private entities for development.

The new legislation sets strict standards for property acquisition through eminent domain and limits its use for economic development to improving truly blighted and decaying properties. A local government will not be able to decide that a neighborhood should be leveled to make way for a commercial development just because it will increase the tax base or replace homes that some may consider unappealing.

However, the General Assembly rejected my efforts to ensure eminent domain could not be used by the Indiana



Rep. Pierce (right) debates legislation on the House floor.

Department of Transportation (INDOT) to take property and then convey it to a private toll road operator. The Daniels administration insisted on exempting INDOT from the new restrictions. I, along with several members of the House, offered amendments to remove the INDOT exemption. Those amendments failed on a straight party-line vote with Republicans voting against the amendments and Democrats in favor.

I fear INDOT will use this exemption to seize property in Monroe County for the proposed I-69 extension on behalf of a private corporation. Property owners in the proposed I-69 corridor are already concerned about losing their land. It would add insult to injury for their property to ultimately end up in the hands of a private company that stands to profit from that land for the next 75 years.

## Pierce bill to combat mercury pollution becomes law

I joined with Republican Representative Tim Brown to co-author legislation that will prevent the release of mercury from automobile parts into the environment. Until just a few years ago, cars were manufactured with switches that contain mercury. When these cars end up in scrap yards, they are often sent on to scrap recycling operations that melt down the vehicles to recycle the steel in them. Often, mercury switches are still in the vehicles, and mercury is released into the atmosphere when it vaporizes during the recycling process.

House Bill 1110 requires auto manufacturers to

develop and implement a plan to remove and properly dispose of mercury switches from cars that are being recycled for scrap metal. Automobile recyclers will now be required to remove all mercury switches from vehicles before they are destroyed.

Mercury is highly toxic and can lead to many health complications, particularly among children. I am pleased that Representative Brown and I were able to convince the General Assembly to adopt this legislation. It is an important first step toward removing this toxic substance from our air and water.